



CITY OF SAN ANTONIO

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City Auditor
San Antonio, Texas

RE: Management's Corrective Action Plan for the Audit of San Antonio Police Department Cash Audit

City Management and the San Antonio Police Department have reviewed the audit report and have developed Corrective Action Plans below corresponding to report recommendations.

Recommendation					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
	Detail Report				
1	City Cash Handling Procedures	4			
	The City Manager and Finance Department should modify the <i>AD 8.1</i> draft to include cash handling procedures for the SAPD. These procedures should also address the proper use and handling of covert funds. <i>AD 8.1</i> and <i>AD 8.5</i> should be approved, published, and circulated as soon as possible.		Accept	SAPD: Eddie Bolders, Fiscal Operation Manager SAPD: Steve Barrera, Police Captain	AD 8.1 Open 08/21/06 Funds were identified and request was sent to Finance.
	Additionally, SAPD Management should request that the Finance Department separate and identify covert funds from petty cash funds in the SAP system.			Finance: Troy Elliott, Asst. Director	November/December 2006
<p>SAPD Action Plan: Police Accounting will maintain a spreadsheet identifying covert, petty cash and cash handling funds. Tom Schmidt, City Finance will establish the funds in SAP. Police Accounting SOP and Police Manual will be updated to reflect covert, petty cash and cash handling fund operations.</p> <p>Finance Action Plan: The Finance Department is in the process of finalizing Administrative Directive 8.1 governing cash handling for the City of San Antonio. The draft Administrative Directive will be modified to include language defining covert funds held by the Police Department. Additionally, we will coordinate and establish agreed upon procedures with the Police Department governing the use and safekeeping of covert funds. Currently, covert and petty cash funds are combined in the SAP financial system. The accounting for covert funds and petty cash held by the Police Department will be modified in order to segregate and account for covert funds separately in the future.</p>					

2	Off-Record Cash Funds	5	
<p>SAPD Management should ensure that all off-record funds are identified and properly recorded. When special funds for covert operations aren't expended, they should be returned to the City Finance Department promptly. All cash funds should be authorized by the Finance Department and recorded in SAP. Finally, all PC-based systems for recording financial information should be maintained on an ITSD network server that is backed up on a routine basis.</p>		Accept	SAPD: Eddie Bolders, Fiscal Operation Manager 8/21/06
<p>Action Plan: Cash funds within the Police Department have been identified by usage and separated by covert, petty cash and cash handling funds.</p> <p>All unit commanders have been instructed to return any unauthorized cash funds. Those funds that have been identified have been returned including the \$9,000.00 HIDTA fund. Any future increases or decreases in Police Department cash funds will be coordinated through City Finance.</p> <p>A spreadsheet was sent to Tom Schmidt, City Finance identifying the amount, custodian and location of all Police Department covert, petty cash and cash handling funds. Finance will set up G/L account within SAP to identify the funds.</p> <p>A procedure is in place that requires Police Department P/C users on a routine basis to download all PC files into a home page that is maintained separate from the users assigned P/C.</p>			

We are committed to addressing the recommendations in the audit report and the plan of actions presented above.

Sincerely,



William McManus
Chief of Police